



House Bill 5487

An Act Increasing the Surety Bond Threshold for State and Municipal Projects

Testimony of Commissioner Melody A. Currey

Joint Committee on Planning and Development

March 4, 2016

As the agency responsible for administering most executive branch construction projects, the Department of Administrative Services (DAS) would like to offer the following information for the Committee's consideration on **House Bill 5487, An Act Increasing the Surety Bond Threshold for State and Municipal Projects**.

House Bill 5487 seeks to amend C.G.S. § 49-41(a) by increasing the threshold for when contracting agencies should require labor and material bonds from public works contracts exceeding one hundred thousand dollars to contracts that exceed two hundred thousand dollars.

DAS believes that the bonding requirements in C.G.S. § 49-41(a) provide important protections to both the state and to the workers and subcontractors who are the direct beneficiaries of labor and material bonds. The ability of a contractor to attain these bonds is a good indicator of the reliability of the contractors and subcontractors. Moreover, the existence of these bonds helps to prevent or resolve any disputes or problems that may arise between the contractor and its workers and subcontractors, and serves an important role that enables us to complete our public works projects as efficiently and economically possible. Accordingly, **DAS opposes House Bill 5487**.

Thank you for providing us the opportunity to comment on this bill.